

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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P.S.C.

In The Matter of:

**AN ADJUSTMENT OF THE ELECTRIC
RATES, TERMS AND CONDITIONS OF
KENTUCKY UTILITIES COMPANY**

CASE NO. 2003-00434

FIRST SET OF DATA REQUESTS
OF
THE KROGER CO.

The Kroger Co. requests the applicant, Kentucky Utilities Company, to respond to the First Set of Data Requests in accordance with the Order of Procedure entered herein on January 14, 2004.

DEFINITIONS

1. Document(s)" is used in its customary broad sense and includes all written, typed, printed, electronic, computerized, recorded or graphic statements, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.

2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, on a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.

3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.

4. "You" or "your" means the person whose filed testimony is the subject of these requests and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any request who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

5. "KU"- means Kentucky Utilities Company, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. The Requests shall be deemed continuing so as to require prompt further and supplemental production if at any time during this proceeding in the event you locate or obtain possession, custody or control of additional responsive documents.

2. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this proceeding should be provided as soon as they are completed. You are obliged to change, supplement and correct all answers to these Requests to conform to available information, including such information as it first becomes available to you after the answers hereto are served.

3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. The answers should identify the person(s) supplying the information.

5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

First Set of Data Requests of the Kroger Co.

1. With respect to Reference Schedule 1.22:
 - (a) Please provide and identify the section(s) in any Commission order(s) which indicate that the shareholder/customer sharing of merger benefits was intended to apply following a general rate case.
 - (b) Please fully explain the accounting treatment of the surcredit payment to customers associated with the merger credit.
2. With respect to Reference Schedule 1.20:
 - (a) Please provide the Commission order(s) that establish the basis for the shareholder/customer sharing of Value Delivery Team benefits.
 - (b) Please provide and identify the section(s) in any Commission order(s) which indicate that the shareholder/customer sharing of VDT benefits was intended to apply following a general rate case.
3. With respect to the testimony of Witness Seeyle, p. 29, please explain the exact decision rule that was used in arriving at the proposed increases in Table 2 for each customer class shown.
4. With respect to the testimony of Witness Seeyle, p. 2, lines 8-9, please explain how the rate increases shown in Table 2 support the objective stated in the referenced line concerning facilitating the transition to cost of service.
5. With respect to the testimony of Witness Seeyle, p. 2, lines 1-3, please provide a table showing the revenue requirements and percentage increase necessary to bring each customer class exactly to the requested retail rate of return, comparable to Seeyle Exhibit 16.

6. Please state and explain KU's philosophy and objectives with respect to time-of-day rates? Include in your response why is KU does not offer a time-of-day rate for customers smaller than 5000 kw?

7. With respect to the testimony of Witness Beer, p. 8-9, please provide any documents containing or reflecting studies, regulatory orders or other data that you and KU relied on to support the proposal to cap the residential rates in the manner described.

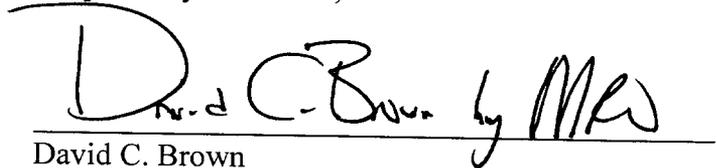
8. With respect to the testimony of Witness Beer, pp. 10-11, when does LG&E project that, under the principle of gradualism, residential rates will be fully consistent with cost of service?

9. Please provide the system load factor for retail customers as a whole, by month and by year. Please show this calculation.

10. Please provide the load factor for each customer class, by month and by year. Please provide these figures on both a class coincident peak basis as well as an non-coincident peak basis within each class. Please show these calculations.

11. Please provide any studies KU performed or relied on with respect to the implementation or expansion of time-of-use rates.

Respectfully submitted,

A handwritten signature in black ink that reads "David C. Brown" followed by a stylized signature that appears to be "by MKW". The signature is written over a horizontal line.

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CERTIFICATE

I hereby certify that a copy of the foregoing was served by email on counsel for the Applicant and by mailing a true and correct copy, by regular U.S. mail to counsel for the Applicant and all parties on this the 3rd day of February, 2004:

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